
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, or other licensed securities dealer, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Bio Cassava Holdings Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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China Bio Cassava Holdings Limited

中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

(Warrant Code: 8187)

PROPOSED SHARE CONSOLIDATION

A notice convening an extraordinary general meeting of the Company to be held at Meeting Room 3, G/F., Innocentre, 72 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong on Wednesday, 27 June 2012 at 10:30 a.m. is set out on pages 9 to 10 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed.

Whether or not you intend to attend and vote at the extraordinary general meeting, you are requested to complete and return the enclosed form of proxy to the principal place of business of the Company in Hong Kong at Unit B, 10th Floor, Culturecom Centre, 47 Hung To Road, Kwun Tong, Kowloon, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

11 June 2012

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CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Bio Cassava Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM
“Consolidated Share(s)”	consolidated ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company upon completion of the Share Consolidation
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held to consider the ordinary resolution to be proposed to approve the Share Consolidation
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	7 June 2012, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“PRC”	the People’s Republic of China
“Share Consolidation”	the proposed consolidation of every four (4) Shares of HK\$0.0025 each in the issued and unissued capital of the Company into one (1) Consolidated Share of HK\$0.01 each
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the capital of the Company or, as the context may require, the Consolidated Shares
“Shareholder(s)”	holder(s) of the Share(s) or as the context may require, the Consolidated Share(s) from time to time

DEFINITIONS

“Share Options”	the share options granted under the share option scheme adopted by the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrants”	800,000,000 listed warrants (Stock Code: 8187) issued by the Company conferring rights to holder(s) thereof to subscribe in cash for Shares at an initial subscription price of HK\$0.059 per Share, subject to adjustment
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

EXPECTED TIMETABLE

Set out below is an expected timetable for the implementation of the Share Consolidation. The timetable is subject to the results of the EGM. The Company will notify the Shareholders of any significant changes to the expected timetable by way of announcement(s) as and when appropriate.

Latest time for lodging the form of proxy for the EGM 10:30 a.m. on Monday,
25 June 2012

EGM 10:30 a.m. on Wednesday,
27 June 2012

Effective date of the Share Consolidation Thursday, 28 June 2012

Original counter for trading in shares in board lots of
20,000 Shares (in the form of existing share certificates
in blue) temporarily closes 9:00 a.m. on Thursday,
28 June 2012

Temporary counter for trading in Consolidated Shares
in board lots of 5,000 Consolidated Shares (in the form
of existing share certificates in blue) opens 9:00 a.m. on Thursday,
28 June 2012

First day for free exchange of existing share certificates
in blue for new share certificates in orange Thursday, 28 June 2012

First day of operation of odd lot trading facility Friday, 13 July 2012

Original counter for trading in Consolidated Shares
in board lots of 20,000 Consolidated Shares
(in the form of new share certificates in orange) reopens 9:00 a.m. on Friday,
13 July 2012

Parallel trading in Consolidated Shares commences 9:00 a.m. on Friday,
13 July 2012

Temporary counter for trading in Consolidated
Shares in board lots of 5,000 Consolidated Shares
(in the form of existing share certificates in blue) closes 4:00 p.m. on Thursday,
2 August 2012

Parallel trading ends 4:00 p.m. on Thursday,
2 August 2012

Last day of operation of odd lot trading facility Thursday, 2 August 2012

Last day for free exchange of share certificates Monday, 6 August 2012

LETTER FROM THE BOARD



China Bio Cassava Holdings Limited

中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

(Warrant Code: 8187)

Executive Directors:

Mr. Kwan Kin Chung (*Managing Director*)

Mr. Tam Kam Biu William

Mr. Wan Xiaolin

Mr. Chen Man Lung

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Non-executive Directors:

Mr. Leung Lap Yan (*Chairman*)

Mr. Leung Lap Fu Warren

Principal place of business in

Hong Kong:

Unit B, 10th Floor

Culturecom Centre

47 Hung To Road

Kwun Tong

Kowloon

Hong Kong

Independent non-executive Directors:

Mr. Ip Chi Wai

Mr. Tse Wang Cheung Angus

Mr. Tsang Wai Wa

11 June 2012

*To the Shareholders and, for information only,
warrantholders of the Company*

Dear Sir or Madam,

PROPOSED SHARE CONSOLIDATION

INTRODUCTION

Reference is made to the announcement of the Company dated 30 May 2012 in respect of the proposed Share Consolidation. The purpose of this circular is to provide you with details of the proposed Share Consolidation and to give you the notice of EGM to be convened.

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes that every four (4) Shares of a par value of HK\$0.0025 each in the issued and unissued capital of the Company be consolidated into one (1) Consolidated Share of a par value of HK\$0.01 each. As at the Latest Practicable Date, there are 8,203,300,000 Shares of a par value of HK\$0.0025 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the Latest Practicable Date up to the date of the EGM, upon the Share Consolidation becoming effective there will be 2,050,825,000 Consolidated Shares of a par value of HK\$0.01 each in issue which are fully paid or credited as fully paid following the Share Consolidation. The authorised share capital of the Company will remain at HK\$500,000,000 but will be divided into 50,000,000,000 Consolidated Shares of a par value of HK\$0.01 each.

As at the Latest Practicable Date, save for the Warrants entitling the holders thereof subscribe for 800,000,000 Shares (equivalent to 200,000,000 Consolidated Shares) and the Share Options granted under the share option scheme adopted by the Company entitling the holders thereof subscribe for 1,517,760,000 Shares (equivalent to 379,440,000 Consolidated Shares), there are no outstanding options, warrants or securities convertible or exchangeable into Shares.

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of the necessary ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares.

Subject to the approval of the Shareholders at the EGM, it is expected that the effective date of the Share Consolidation would be 28 June 2012, the next business day (being a day on which shares are traded on the Stock Exchange) immediately following the date on which the relevant resolution is passed.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares. Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS. The Share Consolidation will be conducted in accordance with the provisions in the articles of association of the Company.

As at the Latest Practicable date, Shares are traded in board lots of 20,000 Shares. Following the Share Consolidation, it is proposed that the Consolidated Shares will continue to be traded in board lots of 20,000 Consolidated Shares.

Based on the closing price of HK\$0.027 per Share (equivalent to HK\$0.108 per Consolidated Share) as at the Latest Practicable Date, the value of each board lot of 20,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$2,160.

LETTER FROM THE BOARD

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

STATUS OF THE CONSOLIDATED SHARES

The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlement to the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

In order to alleviate the difficulties arising from the existence of odd lots of Consolidated Shares, the Company has agreed to procure Kingston Securities Limited to arrange for matching services regarding the sale and purchase of odd lots of Consolidated Shares from 13 July 2012 to 2 August 2012 (both days inclusive). Shareholders of odd lots of the Consolidated Shares may contact Ms. Rosita Kiu of Kingston Securities Limited at Suite 2801, 28th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong at telephone number (852) 2298 6215 during the aforesaid period. Shareholders should note that matching of the sale and purchase of odd lots of Consolidated Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed. The Company will bear the costs relating to the matching of sale and purchase of odd lots of the Consolidated Shares.

REASONS FOR THE SHARE CONSOLIDATION

The proposed Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. As such, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company. Moreover, as the market value of each board lot upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lower. It is expected that the liquidity in trading of the Shares will increase accordingly and the market value of the Shares will more precisely reflect the intrinsic value of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

EXCHANGE OF CERTIFICATES FOR CONSOLIDATED SHARES

Subject to the Share Consolidation becoming effective, which is currently expected to be 28 June 2012, being the business day (being a day on which shares are traded on the Stock Exchange) immediately after the date of the EGM, Shareholders may on or after 28 June 2012 and until 4:00 p.m. on 6 August 2012 (both days inclusive), submit their existing share certificates in blue for the Shares to the Company's branch share registrar in Hong Kong, Union Registrars Limited at 18/F., Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong for exchange for share certificates in orange for the Consolidated Shares at the expense of the Company.

LETTER FROM THE BOARD

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Company's branch share registrar for exchange of share certificates.

With effect from 3 August 2012, trading will only be in Consolidated Shares which share certificates will be issued in orange. The Consolidated Shares are to be consolidated on the basis of four (4) existing Shares to one (1) Consolidated Share. Existing share certificates in blue for the Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or management shareholder or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

ADJUSTMENTS IN RELATION TO THE WARRANTS AND THE SHARE OPTIONS

The Share Consolidation will cause adjustments to the subscription price and the number of Consolidated Shares to be issued under the Warrants and the Share Options. As to the adjustments to the number of Consolidated Shares to be issued and the subscription price in respect of the Warrants and the Share Options, the Company has instructed its auditors to review and certify the basis of such adjustments as soon as possible. Further announcement will be made by the Company in respect of such adjustment upon receipt of corresponding certificates on the adjustments by the Company.

EGM

A notice of EGM convening the EGM at which resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the proposed Share Consolidation is set out on pages 9 to 10 of this circular.

To the best knowledge of the Directors, no Shareholders have a material interest in the Share Consolidation and accordingly, no Shareholders will have to abstain from voting at the EGM.

Whether or not you intend to attend the EGM, you are requested to complete and return the form of proxy accompanying with this circular in accordance with the instructions printed thereon not less than 48

LETTER FROM THE BOARD

hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjournment thereof in person if you so wish.

RECOMMENDATION

The Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the relevant resolution at the EGM.

By order of the Board
China Bio Cassava Holdings Limited
LEUNG LAP YAN
Chairman

NOTICE OF EGM



China Bio Cassava Holdings Limited

中國生物資源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

(Warrant Code: 8187)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Bio Cassava Holdings Limited (the “Company”) will be held at Meeting Room 3, G/F., Innocentre, 72 Tat Chee Avenue, Kowloon Tong, Kowloon, Hong Kong on Wednesday, 27 June 2012 at 10:30 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon, among others, the granting by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the issued ordinary shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):

- (a) with effect from the day immediately following the date on which this resolution is passed, being a day on which shares are traded on the Stock Exchange, every four (4) ordinary shares of a par value of HK\$0.0025 each in the issued and unissued share capital of the Company be consolidated into one (1) share of a par value of HK\$0.01 (each a “**Consolidated Share**”), such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company; and
- (b) the directors of the Company be and are generally authorised to do all such acts and things and execute all such documents, including under seal where applicable, as they consider necessary, desirable or expedient to give effect to the foregoing arrangements for the Share Consolidation.”

By order of the Board
China Bio Cassava Holdings Limited
LEUNG LAP YAN
Chairman

Hong Kong, 11 June 2012

NOTICE OF EGM

Registered office:

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Unit B, 10th Floor
Culturecom Centre
47 Hung To Road
Kwun Tong
Kowloon
Hong Kong

As of the date of this notice, the executive directors are Mr. Kwan Kin Chung, Mr. Tam Kam Biu William, Mr. Wan Xiaolin and Mr. Chen Man Lung, the non-executive directors are Mr. Leung Lap Yan and Mr. Leung Lap Fu Warren, the independent non-executive directors are Mr. Ip Chi Wai, Mr. Tse Wang Cheung Angus and Mr. Tsang Wai Wa.

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company's principal place of business in Hong Kong at Unit B, 10th Floor, Culturecom Centre, 47 Hung To Road, Kwun Tong, Kowloon, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a notarially certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.
4. In the case of joint holders of shares, any one of such holders may vote at the EGM, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.
5. The voting on the resolution will be conducted by way of poll.